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**Health Care Committee**

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**HB 2572**

**Brief Description:** Establishing the small employer health insurance partnership program.

**Sponsors:** Representatives Morrell, Clibborn, Green, Flannigan, Eickmeyer, Conway, Dickerson, Blake, Cody, Wallace, Roberts, Appleton, Hasegawa, McCoy, Linville, Simpson, Chase, Darneille, O'Brien, Murray, B. Sullivan, Ormsby, Springer, Moeller and Kagi.

**Brief Summary of Bill**

- Establishes a small business coverage option through the Health Care Authority.

**Hearing Date:** 1/17/06

**Staff:** Dave Knutson (786-7146).

**Background:**

Recent rapid increases in the cost of health care have made it difficult for small employers to afford to provide coverage for their employees health care coverage. The percentage of small employers providing health care coverage for their employees has declined over the past several years. The Health Care Authority provides subsidized health coverage for low-income individuals who meet income eligibility standards through the Basic Health Plan.

**Summary of Bill:**

A small employer health insurance partnership program is established in the Health Care Authority. Two options will be available to small employers, subject to funding appropriated by the Legislature. The first option will be premium subsidies to eligible employees who are employed by an employer who has not offered health insurance coverage for the previous six months, the actuarial value of the health benefit plan offered by the small employer is at least equivalent to that of the basic health plan benefit, and the small employer will pay at least forty percent of the monthly premium cost for their employee. The second option includes enrollment of a small employer as a group in a health benefit plan. The benefit option offered through the program will be actuarially equivalent to the basic health plan benefit package, will comply with small group requirement of Title 48 RCW, and premiums due from small employers will be set by the administrator of the Health Care Authority. Small employer groups will be included in the basic health plan subsidized risk pool.

The Department of Social and Health Services is directed to submit a request to the federal Department of Health and Human Services for a state children's health insurance program section

1115 demonstration waiver to seek authorization to draw down Washington's unspent state children's health insurance program allotment to finance basic health plan coverage for parents of children enrolled in medicaid or the state children's health insurance program. Authority is also sought to use the state savings to finance an expansion of the basic health plan or subsidies under the small employer health insurance partnership program.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.